



Offer to shareholders of Crane Group Limited

15 December 2010



Agenda

1. *Overview of the Offer*

2. *Why Crane shareholders should accept the Offer*

3. *Benefits for Fletcher Building*

4. *Overview of the Combined Group*

Appendix: Further details





1. Overview of the Offer



Summary of the Offer

<p><i>Transaction</i></p>	<ul style="list-style-type: none"> • Today, on 15 December 2010, Fletcher Building announced its intention to make a takeover offer to acquire all of the ordinary shares in Crane Group Limited that it does not already own • Fletcher Building hopes to open dialogue with Crane to discuss the proposal
<p><i>Offer Consideration</i></p>	<ul style="list-style-type: none"> • Under the Offer, Crane shareholders will receive consideration with an implied value of A\$9.35 per share¹ comprising: <ul style="list-style-type: none"> – A\$3.43 cash; and – 1 Fletcher Building share for each Crane share
<p><i>Current Status</i></p>	<ul style="list-style-type: none"> • Fletcher Building currently holds Relevant Interests in 14.9% of Crane Shares • Of these Crane Shares, 13.1% were acquired from institutional shareholders immediately prior to the Announcement Date for A\$9.35 in cash, the same amount as implied by the Offer¹
<p><i>Key Offer Conditions</i></p>	<ul style="list-style-type: none"> • The Offer will contain various conditions, including a 90% minimum acceptance condition

1. Implied offer value based on A\$3.43 in cash plus one Fletcher Building share at the closing share price on the ASX of A\$5.92 on 14 December 2010



Offer highlights for Crane shareholders

- ✓ Receive a substantial premium for Crane shares – 28% to 1 month VWAP^{1,2}
- ✓ Values Crane at an attractive valuation multiple – 19x FY11 P/E multiple^{1,3}
- ✓ Receive cash and become a shareholder in a larger and more diversified Australasian building materials manufacturing and distribution company
- ✓ Fletcher Building's experienced management team and Board of Directors have delivered superior shareholder returns relative to Crane⁴
- ✓ Opportunity to benefit from the enhanced size, equity market presence and potentially higher liquidity of the combined Fletcher Building and Crane
- ✓ Fletcher Building Group has acquired 14.9% of Crane

1. Implied offer value of AS\$9.35 based on Fletcher Building's closing share price on the ASX of AS\$5.92 on 14 December 2010

2. 1 month VWAP corresponds to Crane share price of AS\$7.28 based on period up to and including 14 December 2010

3. Based on median broker FY11 NPAT of AS\$38.9m (range AS\$38.4m to AS\$39.8m, Source: Bloomberg as at 14 December 2010 – median of 9 brokers with estimates provided following the Crane AGM on 29 October 2010) and market capitalisation implied by the Offer value of AS\$9.35

4. Refer to pages 11 and 12 of this presentation for further detail



Attractive transaction for Fletcher Building

<p><i>Overview of Crane</i></p>	<ul style="list-style-type: none"> • Building products manufacturing and trade distribution businesses • Australian and New Zealand operations • Revenue of A\$1.86b and EBIT of A\$68m¹ in FY10
<p><i>Complementary businesses to Fletcher Building</i></p>	<ul style="list-style-type: none"> • Pipelines – PE and PVC plastic pipes manufacturing extends Fletcher Building’s existing concrete pipe offerings from Rocla in Australia and Humes in New Zealand • Trade Distribution – Product segments of plumbing and electrical supplies complement Fletcher Building’s extensive trade distribution business • Industrial Products – Specialty metals manufacturing and distribution businesses complement Fletcher Building’s significant steel distribution position in New Zealand
<p><i>Attractive transaction for Fletcher Building</i></p>	<ol style="list-style-type: none"> ❶ Strategic expansion of Fletcher Building’s Australian portfolio ❷ Ability to leverage Fletcher Building’s operating model ❸ Satisfies business ownership criteria ❹ Attractive financial metrics – EPS accretive²

1. Derived from information reported in the full financial accounts for Crane Group and reformatted to be consistent with the format used by Fletcher Building. Includes share of NPAT from JVs and associates
 2. Pro forma FY10 EPS excludes the impact of one-off transaction related costs and does not include any unusual items or potential synergy benefits



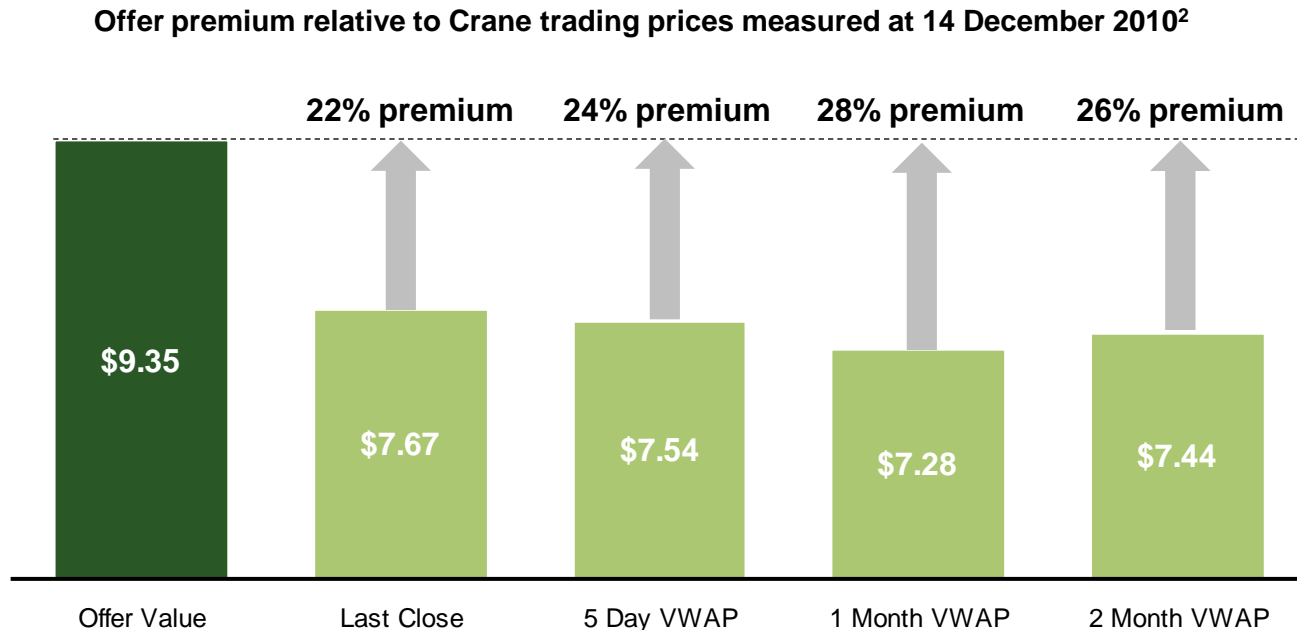


2. Why Crane shareholders should accept the Offer



Receive a substantial premium for Crane shares

The Offer of A\$3.43 cash and 1 Fletcher Building share for each Crane Share implies a value of A\$9.35 per Crane Share¹



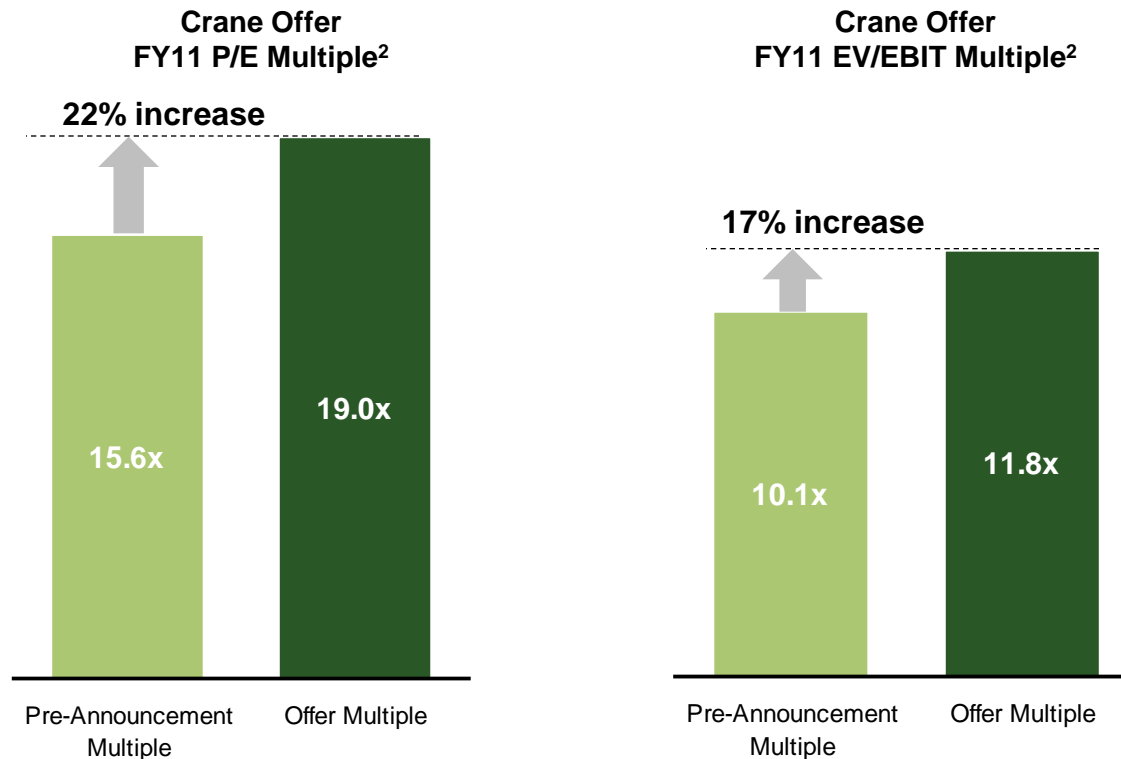
1. Implied offer value based on Fletcher Building's closing share price on the ASX of A\$5.92 at 14 December 2010

2. VWAP (volume weighted average price) measured up to and including 14 December 2010



Offer represents an attractive valuation multiple for Crane

The Offer implies a value of A\$9.35 per Crane Share¹



1. Implied offer value based on Fletcher Building's closing share price on the ASX of A\$5.92 on 14 December 2010

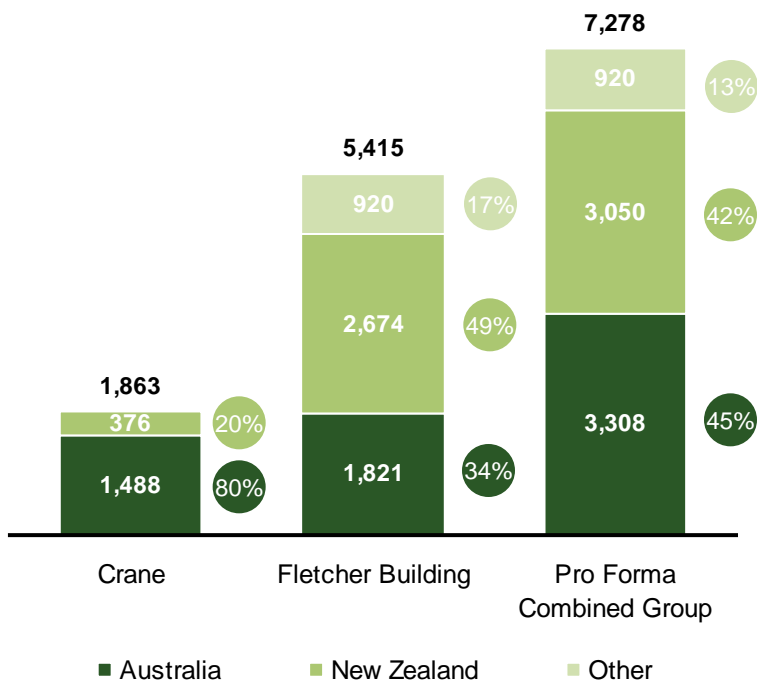
2. Based on median broker estimates as at 14 December 2010 for Crane's earnings for FY11; median NPAT of A\$38.9m (range A\$38.4m to A\$39.8m); and median EBIT of A\$75.7m (range A\$74.6m to A\$78.0m) (Source: Bloomberg – median of 9 brokers (NPAT) and 8 brokers (EBIT) with estimates provided following the Crane AGM on 29 October 2010). Enterprise value calculated using Crane's net debt as at 30 June 2010 of A\$154m, minorities and preference shares of A\$1m, plus the relevant market capitalisation. Pre-announcement multiples based on Crane's closing share price of A\$7.67 on 14 December 2010. Offer multiples based on the implied Offer price of A\$9.35



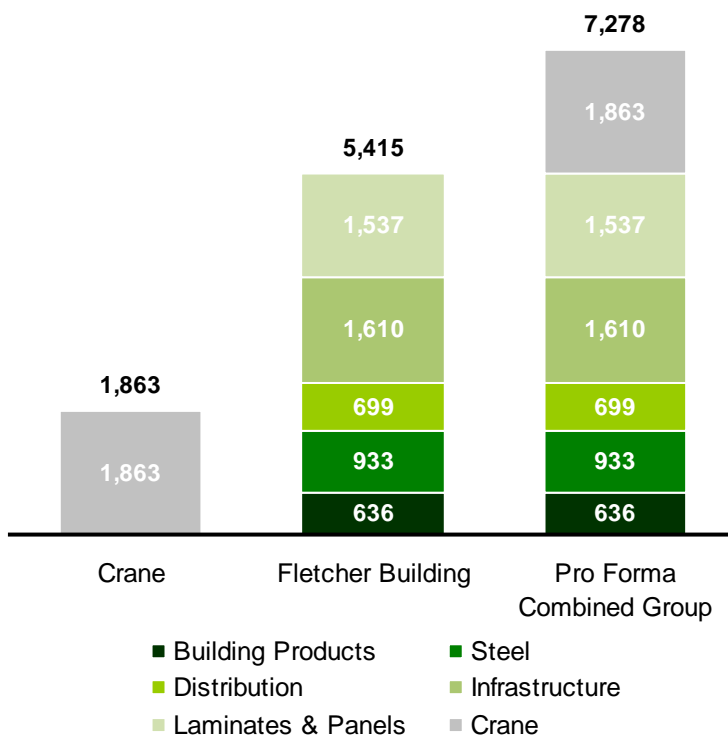
Become a shareholder in a larger and more diversified Australasian building materials manufacturing and distribution company

Long established history and a track record of strong performance in the building materials industry in Australia and New Zealand

FY10 Revenue by Geography (A\$m)¹



FY10 Revenue by Division (A\$m)¹



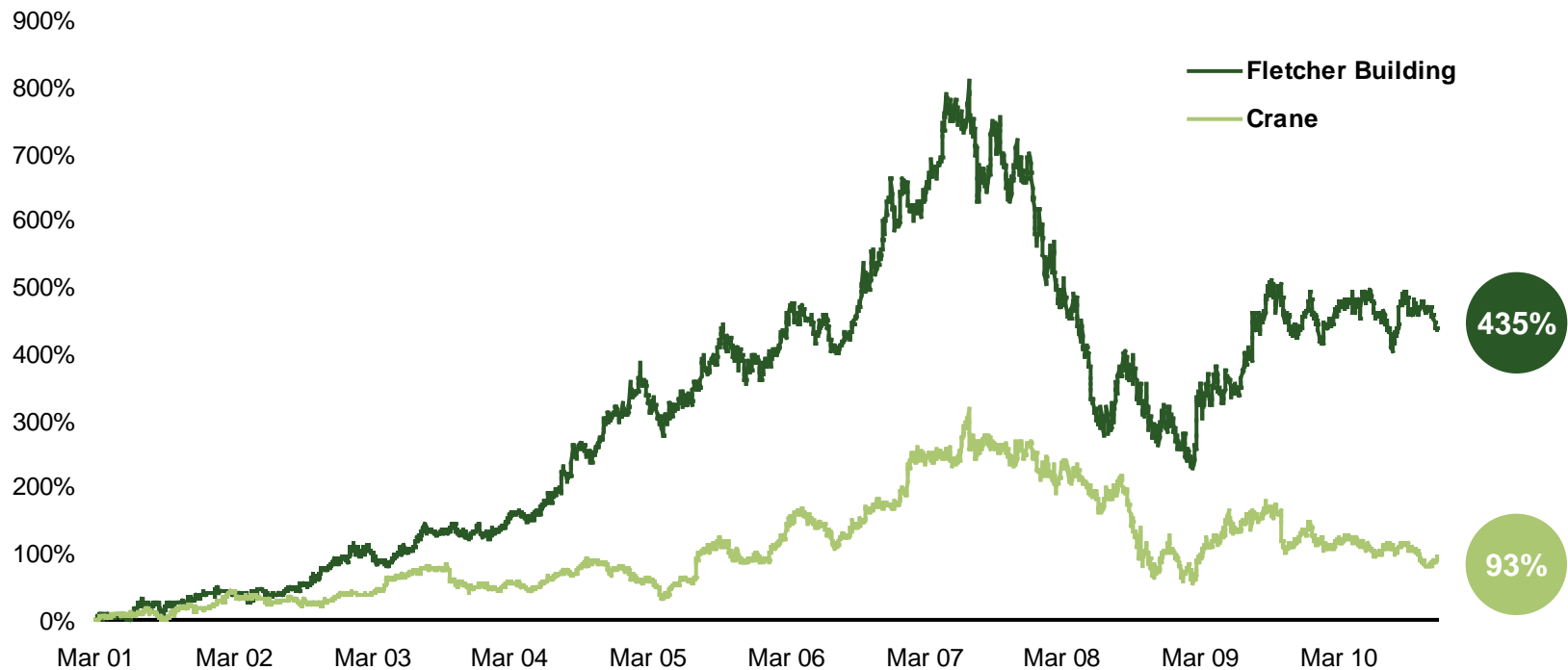
1. Based on an exchange rate of NZ\$1 = A\$0.7964 average for the FY10 year



Fletcher Building's experienced management team and Board of Directors have delivered superior shareholder returns relative to Crane

Following Fletcher Building's listing on the ASX and NZX in March 2001, it has produced substantially higher aggregate Total Shareholder Returns (TSR) than Crane over the same period

Aggregate Total Shareholder Returns since Fletcher Building listed on ASX and NZX to 14 December 2010¹



1. Sourced from Bloomberg. TSR is the capital appreciation of the company's share price on ASX, adjusted for capital management (such as share splits or consolidations), assuming reinvestment of dividends at the declared dividend rate per share. The period analysed is from 29 March 2001 up to and including 14 December 2010. Fletcher Building's TSR is based on holding shares denominated in AS on ASX



Fletcher Building's experienced management team and Board of Directors have delivered superior shareholder returns relative to Crane

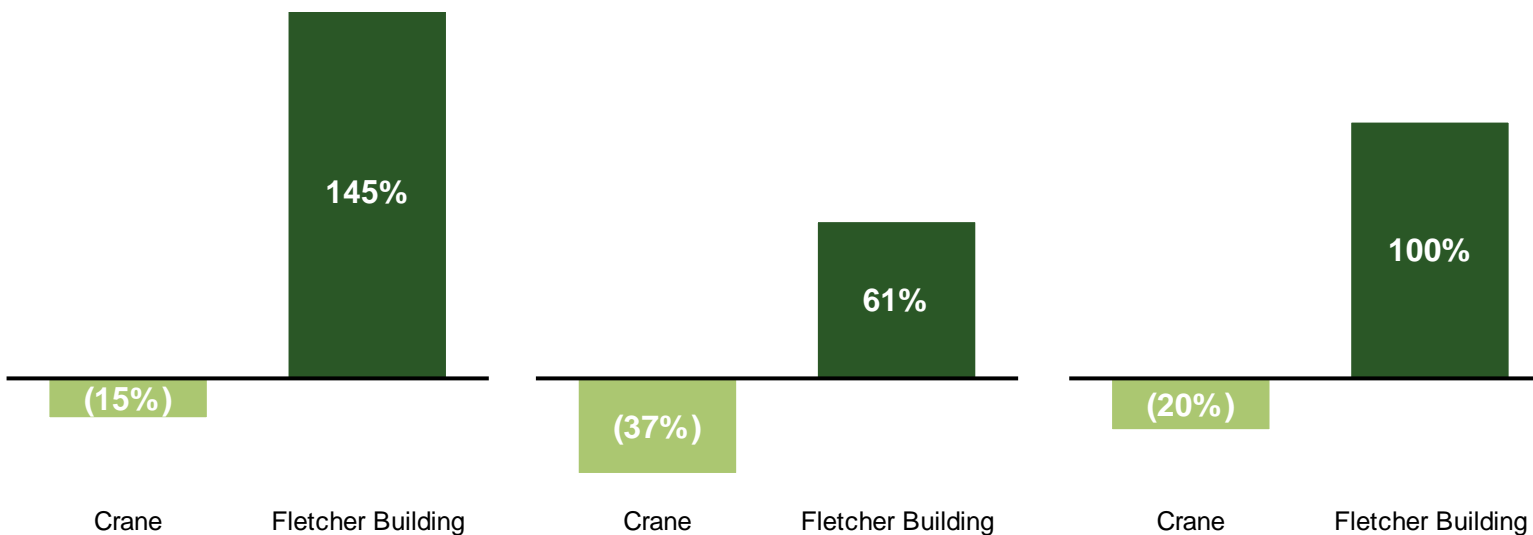
The strength of Fletcher Building's management and operating model is also evident in its outperformance in earnings growth and dividends paid compared to Crane

EBIT, Basic EPS and Declared Dividend per share – total change FY02 versus FY10¹

Change in EBIT (before unusual items)
FY02 versus FY10^{2,3}

Change in EPS
FY02 versus FY10²

Change in DPS
FY02 versus FY10²



1. Representing all of the full financial years since Fletcher Building listed on the ASX and NZX in March 2001

2. Fletcher Building's EBIT, EPS, and DPS have been converted into AS at the prevailing average exchange rates for each year (NZ\$1 = AS\$0.8249 in FY02 and AS\$1 = NZ\$0.7964 in FY10)

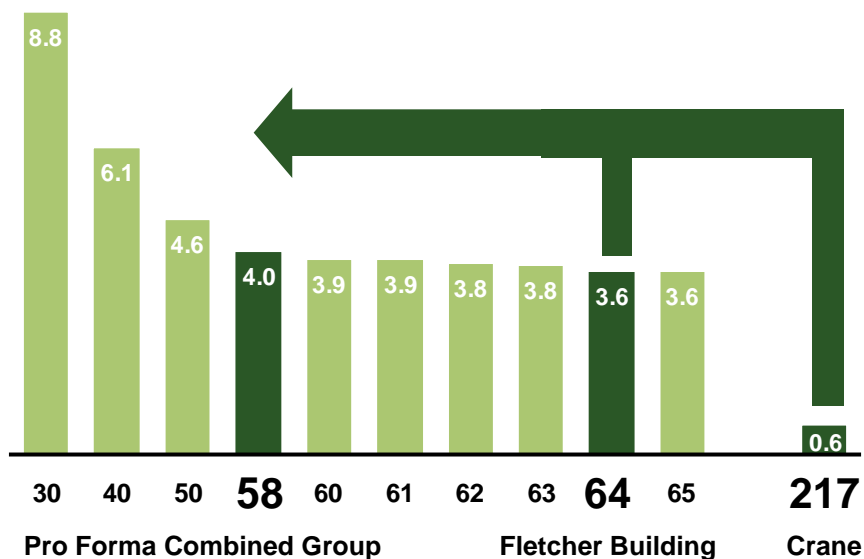
3. Crane FY2002 and FY2010 EBIT sourced from Crane Annual Reports



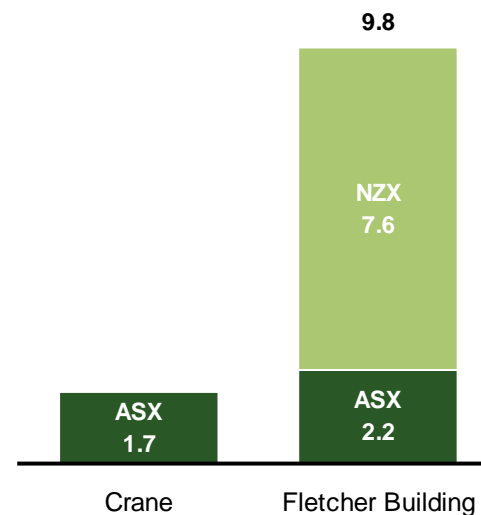
Opportunity to benefit from the enhanced size, equity market presence and liquidity of a combined Fletcher Building and Crane

By accepting the Offer, Crane Shareholders will have exposure to a company with a significantly larger market capitalisation and considerably more liquidity than Crane

Market Capitalisation and position in the ASX All Ordinaries as at 14 December 2010 (A\$b)¹



Median Daily Liquidity over the last 12 months to 14 December 2010 (A\$m)²



1. The Combined Group market capitalisation is calculated by adding the Fletcher Building shares issued to Crane Shareholders as share consideration to the existing number of Fletcher Building Shares on issue, multiplied by Fletcher Building's closing share price of AS\$5.92 on 14 December 2010
2. Based on the median daily number of shares traded from 14 December 2009 to 13 December 2010 multiplied by the closing price on 14 December 2010. Fletcher Building's liquidity includes shares traded on ASX and NZX (Source: IRESS)

















3. Benefits for Fletcher Building



Overview of Crane's businesses

Crane Division (FY10 in A\$m, to nearest million)	Aust.	NZ	Revenue	EBIT ¹	Key Brands
Pipelines Manufacturer of plastic pipe (PVC and PE) and accessories Used in various building applications, including: civil works, houses and commercial buildings, on farm irrigation, telecommunications, and mining and industrial projects	✓	✓	505	37 ²	  
Trade Distribution – Australia Tradelink – Plastic pipe and plumbing products distribution through a network of 220+ branches Hudson – Hardware and timber supply	✓		902	41	 
Trade Distribution – New Zealand Nationwide network of 100+ branches primarily targeting trade MasterTrade – Plumbing, bathroom, and electrical supplies Mico – Pipelines, plumbing, and bathroom supplies Corys – Electrical products Equipsafety – Safety products		✓	301	1	   
Industrial Products Metals Distribution – Distribution of non-ferrous metal products in Australia and New Zealand Crane Copper Tube – Manufacturer of copper tube	✓	✓	300	8	  
TOTAL			2,007³	87²	

1. Excluding significant items and unallocated costs

2. Includes A\$6m share of NPAT from Mitchell Water JV

3. Excluding inter segment eliminations

Source: Crane FY10 Annual Report and Crane Group websites



Attractive transaction for Fletcher Building

1

Strategic expansion of
Fletcher Building's Australian portfolio

2

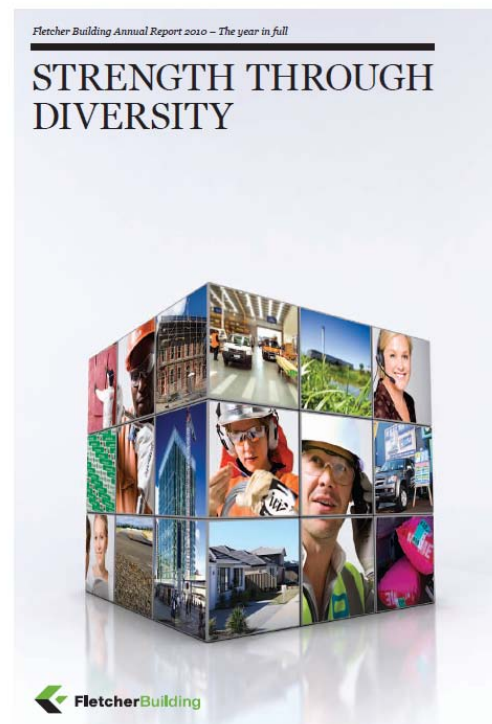
Ability to leverage
Fletcher Building's operating model

3

Satisfies business ownership criteria

4

Attractive financial metrics



1 Strategic expansion of Fletcher Building's Australian portfolio

Strengthens Fletcher Building presence in Australia

Core markets of Australia and NZ	<ul style="list-style-type: none"> • Extensive manufacturing and distribution footprint across Australia and New Zealand with over 300 new locations
Increases scale of Australian platform	<ul style="list-style-type: none"> • Combined Group's Australian revenue increases from 34% to 45% (pro forma FY10) • Expansion of Fletcher Building's Australian business expected to enhance the future competitive position of the Combined Group • Provides further earnings diversification for shareholders

Complementary product offering and operations

Alignment with core business focus	<ul style="list-style-type: none"> • Building products manufacturing and trade distribution
Expands Fletcher Building's product portfolio within the building materials industry	<ul style="list-style-type: none"> • Fletcher Building's infrastructure products offering is extended into a related adjacency • Plastic pipe manufacturing and distribution complements Fletcher Building's concrete pipe positions in Australia and New Zealand
Leverages Fletcher Building's experience in trade distribution	<ul style="list-style-type: none"> • Plumbing product and electrical trade distribution is complementary to Fletcher Building's extensive distribution operations



2 Ability to leverage Fletcher Building's operating model

- Fletcher Building plans to operate Crane as a new independent division within our decentralised divisional structure
- Our decentralised business model empowers the executives responsible for each business unit to maintain a high degree of accountability and autonomy in decision making, while benefiting from group wide best practice to maximise operational and financial performance
- Fletcher Building intends to reorganise the corporate functions of Crane to align with those required by a business division rather than an independent publicly listed company
- In parallel, a transition team will undertake a broad-based review of Crane's operations to identify opportunities for revenue enhancement and operating synergies which may result from Crane being part of the Combined Group



3 Satisfies Fletcher Building's business ownership criteria

- Good market positions
- Recognised brands
- Favourable industry structures
- Experienced management

iPLEX
Pipelines

Tradelink

MASTERTRADE

MICO

CORYS

**AW Austral
Wright Metals**

Crane Copper Tube



4 Attractive financial metrics

- EPS accretion on a pro forma basis
 - *FY10 EPS of 39.6 A¢ps increases to 40.4 A¢ps for the Combined Group¹*
- Potential sources of synergies² include:
 - *Streamlining the corporate functions of Crane to align the functions with those required by a division rather than an independent publicly listed company*
 - *Maximising sales of the Combined Group's manufactured products through owned distribution channels*
 - *Leveraging the scale of the Combined Group in the combined procurement of products and services*
 - *Amalgamating logistics and distribution arrangements with other parts of the Combined Group*
- Strong balance sheet and conservative debt levels maintained to preserve capacity for future organic growth and acquisition opportunities

1. Pro forma FY10 EPS excludes the impact of one-off transaction related costs and does not include any unusual items or potential synergy benefits

2. Fletcher Building is unable to confirm availability of or quantify synergies at this stage as non-public Crane due diligence has not been available



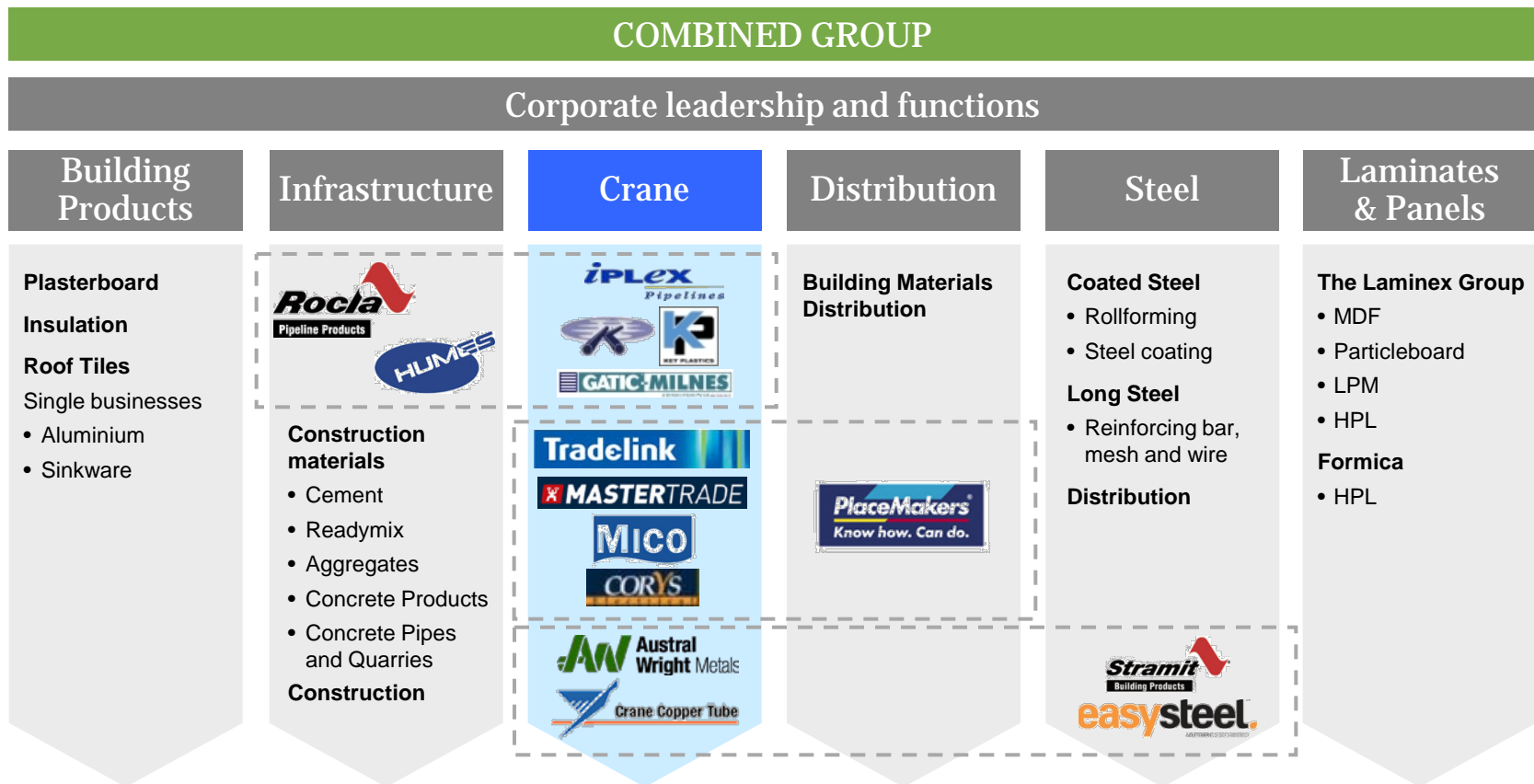


4. Overview of the Combined Group



Divisional structure of the Combined Group

Crane will form a new division within the Combined Group, with its complementary businesses representing strategic extensions of existing Fletcher Building operations



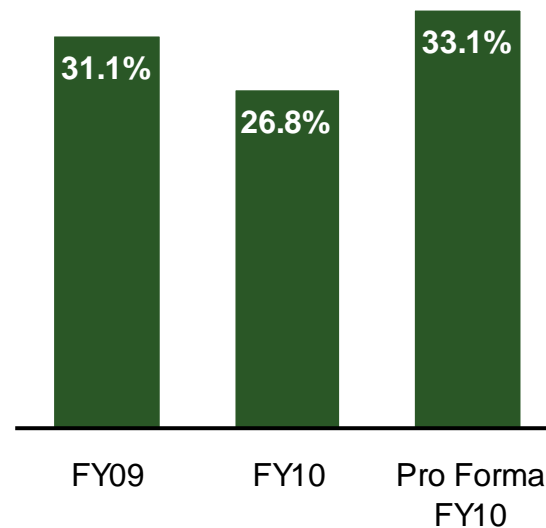
Note: Dashed lines indicate primary areas of complementary Fletcher Building and Crane businesses



Strong financial position maintained

- Following the transaction there will be an increase in Fletcher Building's debt levels
 - Funding cash component of offer from existing undrawn debt facilities
 - Roll over or refinancing of Crane's debt
 - Acquisition of initial 14.9% interest for cash
- Gearing increases from 26.8% to approximately 33.1% (pro forma FY10)¹
- Balance sheet remains strong
 - Maintains prudent headroom given remaining uncertainty in financial markets
 - Preserves capacity to pursue further organic growth and acquisition opportunities which meet our investment criteria

Fletcher Building Gearing¹



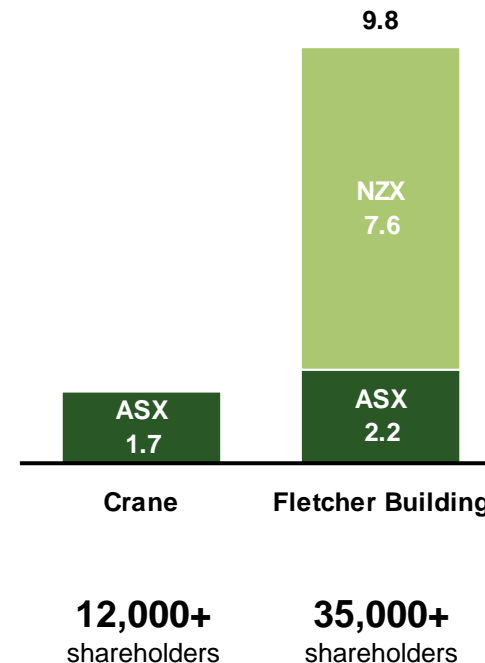
1. Interest bearing debt (including capital notes) to interest bearing debt (including capital notes) and equity



Combined Group benefits from expanded shareholder base

- Crane has over 12,000 shareholders that will become shareholders in Fletcher Building under the Offer
- Crane and Fletcher Building shareholders benefit from being part of a larger company with an extended shareholder base and potentially higher liquidity on the ASX

Median Daily Liquidity over the last 12 months to 14 December 2010 (A\$m)¹



1. Based on the median daily number of shares traded from 14 December 2009 to 13 December 2010 multiplied by the closing price on 14 December 2010. Fletcher Building's liquidity includes shares traded on ASX and NZX. Source: IRESS





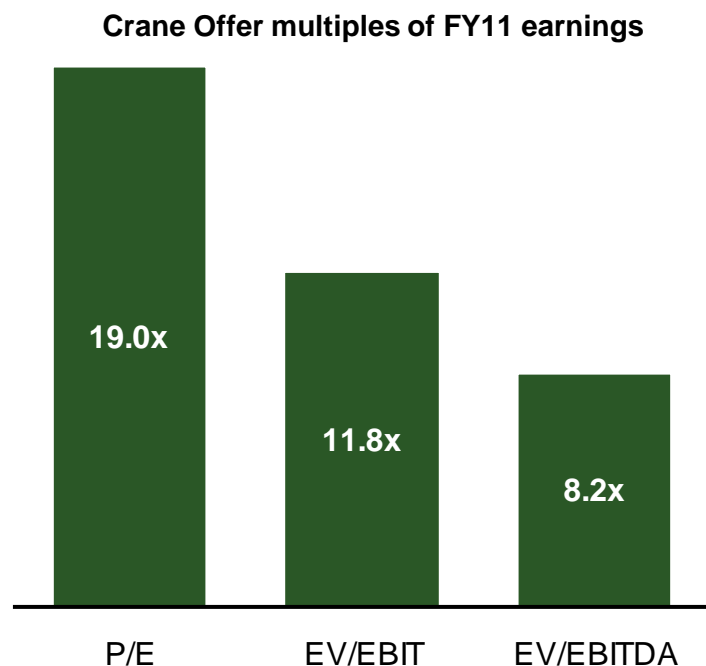
Appendix

Further details



Acquisition valuation and multiples

- Implied Offer price of A\$9.35 represents an enterprise value for Crane of A\$895m¹ (NZ\$1,187m²)



Acquisition Metrics ^{1,3}	A\$
<i>Implied Offer Value</i>	<i>\$9.35</i>
<i>Total Shares on Issue (m)</i>	<i>79.1</i>
<i>Equity Value</i>	<i>\$740m</i>
<i>Net Debt</i>	<i>\$154m</i>
<i>Other</i>	<i>\$1m</i>
<i>Enterprise Value</i>	<i>\$895m</i>
<i>EBITDA (FY11)</i>	<i>\$109m</i>
<i>EBIT (FY11)</i>	<i>\$76m</i>
<i>NPAT (FY11)</i>	<i>\$39m</i>
<i>EV / EBITDA (FY11)</i>	<i>8.2x</i>
<i>EV / EBIT (FY11)</i>	<i>11.8x</i>
<i>P/E (FY11)</i>	<i>19.0x</i>

1. Enterprise value calculated using Crane's net debt as at 30 June 2010 of A\$154m, minority interests and preference shares of A\$1m, plus the relevant market capitalisation

2. Based on estimated exchange rate of NZ\$1 = A\$0.7541 as at 14 December 2010

3. Based on median broker estimates as at 14 December 2010 for Crane's earnings for FY11; median NPAT of A\$38.9m (range A\$38.4m to A\$39.8m); median EBITDA of A\$109.0m (range A\$107.0m to A\$117.0m) and median EBIT of A\$75.7m (range A\$74.6m to A\$78.0m) (Source: Bloomberg – median of 9 brokers (NPAT), 10 brokers (EBITDA) and 8 brokers (EBIT), with estimates provided following the Crane AGM on 29 October 2010)



Funding for the transaction

- Fletcher Building will fund the Offer out of existing debt facilities and by issuing shares to Crane shareholders who accept the Offer

Uses	A\$m¹	NZ\$m¹
<i>Cash Component of Offer</i>	340	451
<i>Equity Component of Offer</i>	400	530
<i>Transaction Costs²</i>	12	16
Total	752	997

Sources	A\$m¹	NZ\$m¹
<i>Cash and Debt Facilities</i>	352	467
<i>Issue of Shares</i>	400	530
Total	752	997

1. Based on estimated exchange rate of NZ\$1 = A\$0.7541 as at 14 December 2010

2. Estimate



Summary of Offer conditions

- FIRB, OIO, ACCC and NZCC approvals
- 90% minimum acceptance condition
- No regulatory action
- No material adverse change in Crane
- No further dividends or distributions (other than for 1H11 up to 22 A¢ps)
- S&P ASX 200 index does not decline below 4,290
- Fletcher Building share price does not decline below A\$5.50 in the 7 trading days before the date of Offer

Full details on the conditions of the Offer are set out in Fletcher Building's media release of 15 December 2010



Investor relations contact details

Philip King

✉ philip.king@fb.co.nz

📞 +64 27 444 0203

☎ +64 9 525 9043



Important notice

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN OR INTO THE U.S. OR TO U.S. PERSONS

This presentation does not constitute an offer of any securities for sale in the United States or in any other jurisdiction. The securities offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the 'Securities Act') and may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act) absent registration or an applicable exemption from the registration requirements under the Securities Act and any other applicable securities laws.

This presentation provides information in summary form only and is not intended to be complete. This presentation may contain information (including information derived from publicly available sources) that has not been independently verified by Fletcher Building.

Some statements in this presentation are forward-looking statements regarding future events and the future financial performance of Fletcher Building. These statements can be identified by the use of forward-looking terminology such as 'may', 'will', 'expect', 'anticipate', 'estimate', 'continue', 'plan', 'intend', 'believe' or other similar words.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including Fletcher Building). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward looking statements in this presentation will actually occur. Actual results, performance or achievement may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Given these uncertainties, no reliance should be placed on the fairness, accuracy, completeness or reliability of the information contained in this presentation. The forward-looking statements in this document speak only as of the date of this presentation.

To the maximum extent permitted by law, Fletcher Building and its respective directors, officers, employees or advisors do not accept any liability for any errors, omissions or loss (including because of negligence or otherwise) arising, directly or indirectly, from any use of this presentation or information contained in this presentation.

Further information concerning the Offer will be available in the Bidder's Statement to be released in due course. The Bidder's Statement should be read in full and should be read in conjunction with other publicly available material before any person makes any decision or takes any action in relation to the Offer.

